

ECONOMIC DEVELOPMENT REGION 4: West Central

Covers counties:

Becker, Clay, Douglas,
Grant, Otter Tail, Pope,
Stevens, Traverse, and Wilkin

2015 REGIONAL PROFILE

Published October 1, 2015

Chet Bodin

Regional Analyst, Northwest Minnesota

Minnesota Department of Employment and Economic Development

Brainerd WorkForce Center

204 Laurel Street, Suite 21

Brainerd, MN 56401

Office: (218) 825-2183

E-mail: chet.bodin@state.mn.us

Web: <http://mn.gov/deed/data/>



DEMOGRAPHICS

POPULATION CHANGE, 2000-2014

Economic Development Region 4 – West Central includes a total of 9 counties, located in the Northwest Minnesota planning region. Region 4 was home to 225,592 people in 2014, comprising 4.1 percent of the state's total population. The region saw a 7.4 percent population increase since 2000, making it the sixth largest and sixth fastest growing of the 13 economic development regions (EDRs) in the state. In comparison, the state of Minnesota saw a 10.9 percent gain from 2000 to 2014 (see Table 1).

	2000 Population	2014 Estimates	2000-2014 Change	
			Number	Percent
Region 4	210,059	225,592	+15,533	+7.4%
Becker Co.	30,000	33,259	+3,259	+10.9%
Clay Co.	51,229	61,286	+10,057	+19.6%
Douglas Co.	32,821	36,790	+3,969	+12.1%
Grant Co.	6,289	5,956	-333	-5.3%
Otter Tail Co.	57,159	57,635	+476	+0.8%
Pope Co.	11,236	10,984	-252	-2.2%
Stevens Co.	10,053	9,800	-253	-2.5%
Traverse Co.	4,134	3,387	-747	-18.1%
Wilkin Co.	7,138	6,495	-643	-9.0%
Minnesota	4,919,479	5,457,173	+537,694	+10.9%

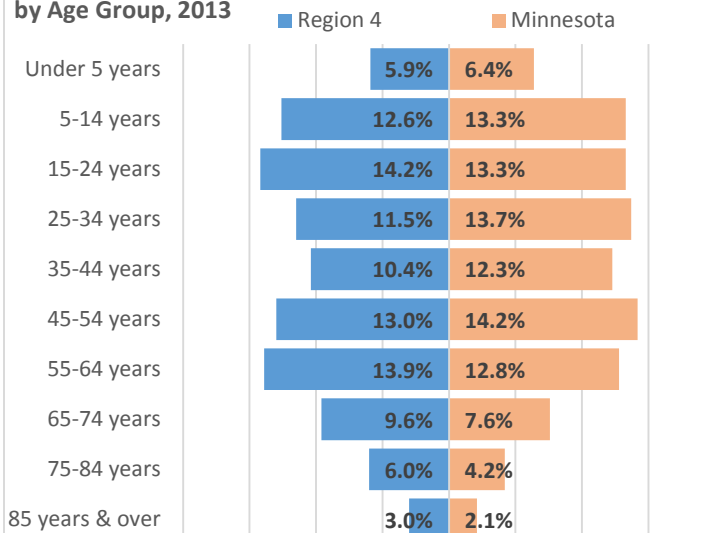
Source: [U.S. Census Bureau, Population Estimates](#)

Interestingly, only 4 of the 9 counties in the region saw population gains, led by Clay County, which added over 10,000 people. Becker and Douglas County both gained more than 3,000 residents from 2000 to 2014, while Otter Tail County, which is the largest county in the region, gained about 500 people. In contrast, Traverse County was the smallest in the region, and saw the second fastest decline of the 87 counties in the state. Wilkin County's population dropped 9.0 percent, Grant County declined by 5.3 percent, and Pope and Stevens County both declined about 2.5 percent.

POPULATION BY AGE GROUP, 2000-2013

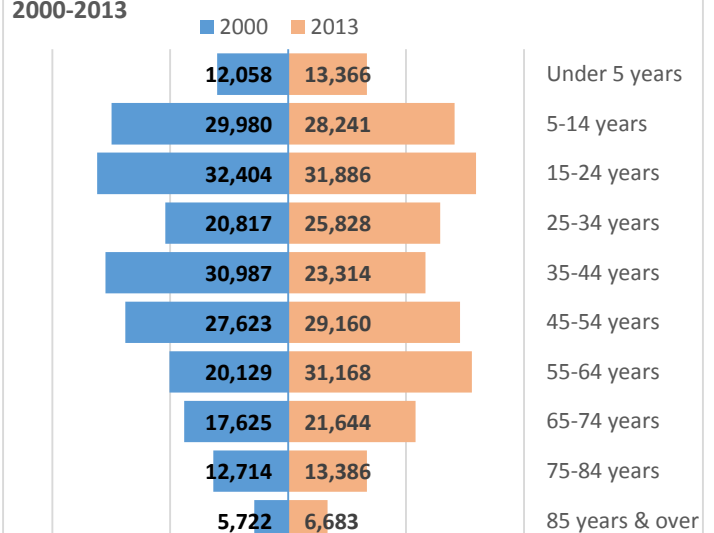
Region 4's population has been aging over time, with 18.6 percent of the population aged 65 years and over in 2013, compared to 13.9 percent statewide. In contrast, Region 4 had a lower percentage of people in the 25- to 54-year-old age group, typically considered the "prime working years," as well as a smaller percentage of school-aged children. With several postsecondary institutions in the region, Region 4 had a higher percentage of people aged 15 to 24. More than one-fourth of the region's population was a part of the Baby Boom generation, people born between 1946 and 1964, which is creating a significant shift in the population over time. While the number of younger residents was declining, the number of residents aged 45 to 64 years was rapidly increasing (see Figure 1 and Figure 2).

Figure 1. Percentage of Population by Age Group, 2013



Source: U.S. Census Bureau, American Community Survey

Figure 2. Region 4 Population Pyramid, 2000-2013



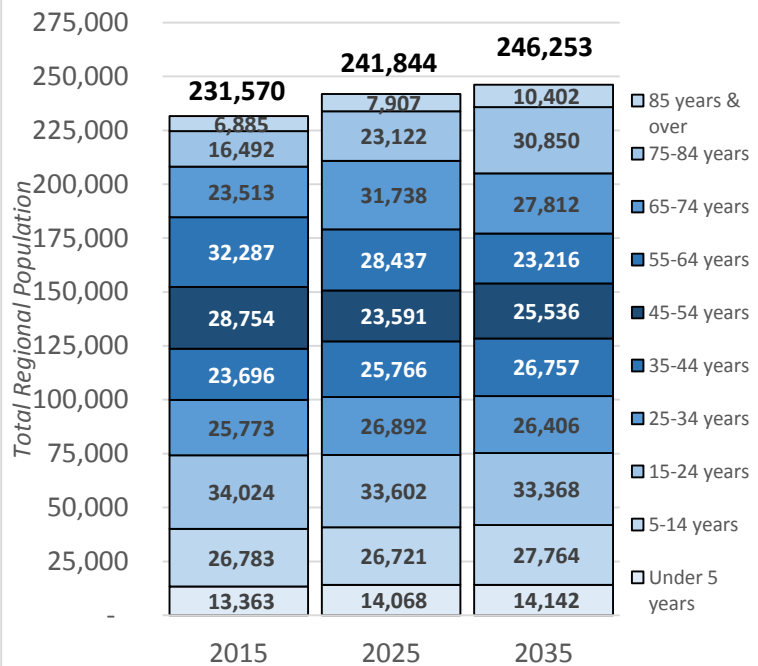
Source: U.S. Census Bureau, American Community Survey

POPULATION PROJECTIONS BY AGE GROUP, 2015-2035

Region 4 is projected to enjoy continued population growth in the next 20 years as well. According to population projections from the [Minnesota State Demographic Center](#), Region 4 is expected to gain almost 15,000 net new residents from 2015 to 2035, a 6.3 percent increase (see Figure 3). In comparison, the state of Minnesota is projected to grow 10.8 percent.

However, much of this population growth is expected to be in the older age groups. Region 4 is projected to add over 22,000 people aged 65 years and over, a 47.3 percent increase. The region is also expected to gain nearly 3,700 people in the 25- to 44-year-old age group, as well as a corresponding increase in school-aged children. In contrast, Region 4 is expected to lose young adults from 15 to 24 years of age, and almost 12,300 people from 45 to 64 years of age – as the current Baby Boom generation moves through the population pyramid.

Figure 3. Region 4 Population Projections by Age Group, 2015-2035



Source: Minnesota State Demographic Center

POPULATION BY RACE, 2013

Region 4's population is less diverse than the state's, but is becoming more diverse over time. In 2013, 94.3 percent of the region's residents reported White alone as their race, compared to 85.6 percent of residents statewide. Less than 1.0 percent of the region's residents were Black or African American, Asian or Other Pacific Islanders, and people of Some Other Race. However, at 1.8 percent, Region 4 had a slightly higher percentage of American Indian and Alaska Natives than the state, while 1.9 percent of people reported being of Two or More Races and 2.5 percent of people reported Hispanic or Latino origin (see Table 2).

The region saw a slow but steady increase in the number of White residents, then saw much faster gains in every race group except Some Other Race. The number of people of Two or More Races jumped 77 percent, and the number of Hispanic or Latino residents rose 52 percent in the past decade, making it the largest minority group in the region.

Table 2. Race and Hispanic Origin, 2013	Region 4			Minnesota	
	Number	Percent	Change from 2000-2013	Percent	Change from 2000-2013
Total	222,824	100.0%	+6.1%	100.0%	+8.7%
White	210,070	94.3%	+4.7%	85.6%	+4.0%
Black or African American	1,889	0.8%	+174.2%	5.2%	+63.0%
American Indian & Alaska Native	4,027	1.8%	+11.3%	1.1%	+4.6%
Asian & Other Pac. Islander	1,526	0.7%	+35.0%	4.2%	+56.9%
Some Other Race	1,171	0.5%	-25.9%	1.4%	+17.4%
Two or More Races	4,141	1.9%	+77.1%	2.5%	+59.6%
Hispanic or Latino	5,463	2.5%	+52.1%	4.8%	+79.3%

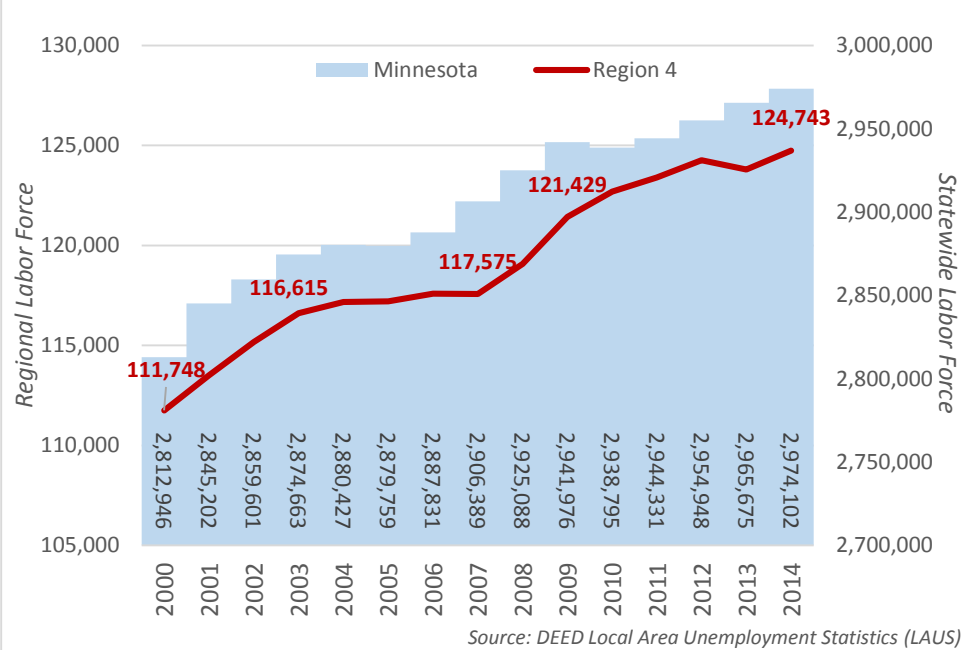
Source: U.S. Census Bureau, American Community Survey

LABOR FORCE

LABOR FORCE CHANGE, 2000-2014

According to data from DEED's [Local Area Unemployment Statistics](#) program, Region 4 has experienced steady growth in the size of the available labor force over the last 14 years regardless of changing economic conditions. The labor force expanded quickly from 2000 to 2003, then stabilized until 2007, when workers started to pour into the labor force to earn extra money during the recession. In line with the region's population growth overall, Region 4 added about 13,000 workers over the last 14 years, from 111,748 available workers in 2000 to 124,743 workers in 2014. Similarly, the state was gaining workers over the past decade and a half (see Figure 4). As the economy has recovered, the labor market in the region has been getting tighter, with only about 4,900 unemployed workers that were actively seeking work in 2014.

Figure 4. Annual Labor Force Estimates, 2000-2014



LABOR FORCE PROJECTIONS, 2015-2025

Despite the region's projected population growth, applying current labor force participation rates to future population projections by age group, as shown in Figure 3 above, would lead to a drop in workforce numbers in Region 4 over the next decade.

In addition to the overall decline, the labor force will see a significant shift over time, with large gains in the number of workers aged 65 years and over against huge declines in the number of workers aged 45 to 64 years. However, the region is still expected to see gains in the number of workers aged 25 to 44 years, and the 25 to 54 year old age group will still be the largest part of the labor force, still accounting for about 56.5 percent of the total workforce (see Table 3). This will likely lead to a tight labor market in the future as well, with employers needing to respond to the changing labor force availability in the region.

Table 3. Region 4 Labor Force Projections

	2015 Labor Force Projection	2025 Labor Force Projection	2015-2025 Change	
			Numeric	Percent
16 to 19 years	8,699	8,338	-361	-4.1%
20 to 24 years	12,472	12,749	+277	+2.2%
25 to 44 years	43,830	46,655	+2,825	+6.4%
45 to 54 years	25,275	20,736	-4,539	-18.0%
55 to 64 years	22,859	20,133	-2,726	-11.9%
65 to 74 years	6,584	8,887	+2,303	+35.0%
75 years & over	1,309	1,738	+429	+32.8%
Total Labor Force	121,028	119,236	-1,792	-1.5%

Source: [Minnesota State Demographic Center, 2009-2013 American Community Survey 5-Year Estimates](#)

EMPLOYMENT CHARACTERISTICS, 2013

With just 66.5 percent of the population aged 16 years and over in the labor force, Region 4 had lower labor force participation rates than the state's 70.3 percent. Though the region actually had similar labor force participation rates to the state in several age groups, the overall rate was lower because a higher percentage of Region 4's labor force was in older age groups (see Table 4).

Likewise, the region had similar participation rates to the state in most race groups; and also had large unemployment rate disparities for most minority groups. Region 4 had about 6,400 veterans and about 6,300 workers with disabilities in the labor force. In sum, unemployment rates in the region were highest for young people, minorities, workers with disabilities, and people with lower educational attainment.

Table 4. Employment Characteristics, 2013

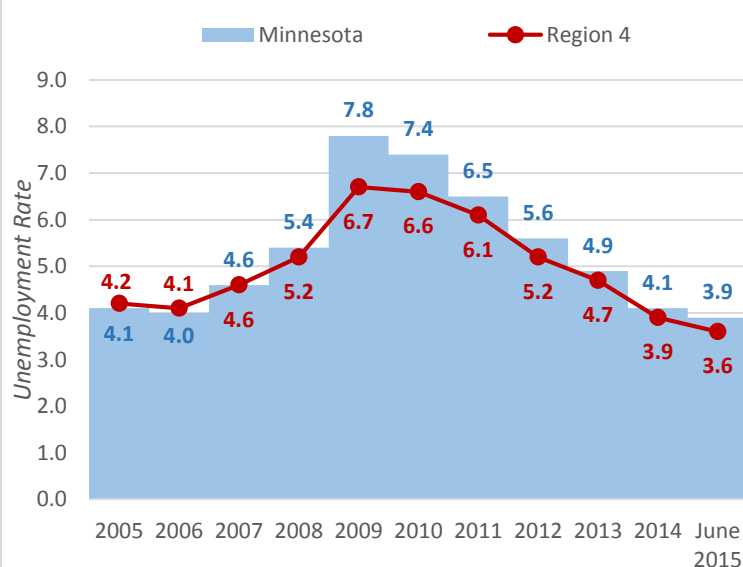
	Region 4			Minnesota	
	In Labor Force	Labor Force Partic. Rate	Unemp. Rate	Labor Force Partic. Rate	Unemp. Rate
Total Labor Force	118,825	66.5%	5.6%	70.3%	7.1%
16 to 19 years	7,576	58.8%	13.9%	50.9%	20.2%
20 to 24 years	12,645	80.3%	9.2%	81.6%	11.2%
25 to 44 years	43,326	88.6%	4.8%	88.2%	6.3%
45 to 54 years	27,503	87.9%	4.3%	87.5%	5.6%
55 to 64 years	21,062	70.8%	4.2%	71.7%	5.5%
65 to 74 years	5,668	28.0%	4.8%	26.5%	4.5%
75 years & over	1,100	5.6%	3.0%	5.8%	4.6%
Employment Characteristics by Race & Hispanic Origin					
White alone	113,271	66.6%	5.3%	70.5%	6.3%
Black or African American	861	66.1%	17.0%	67.6%	17.5%
American Indian & Alaska Native	1,688	60.7%	17.4%	60.1%	18.8%
Asian or Other Pac. Islanders	894	69.7%	9.3%	69.8%	8.5%
Some Other Race	664	72.9%	7.2%	77.6%	10.9%
Two or More Races	1,475	71.0%	10.0%	69.0%	14.4%
Hispanic or Latino	2,436	72.7%	10.9%	75.1%	10.4%
Employment Characteristics by Veteran Status					
Veterans, 18 to 64 years	6,398	74.8%	7.6%	77.8%	7.7%
Employment Characteristics by Disability					
With Any Disability	6,297	52.7%	12.0%	51.6%	14.6%
Employment Characteristics by Educational Attainment					
Population, 25 to 64 years	91,857	83.5%	4.5%	84.2%	5.9%
Less than H.S. Diploma	3,770	66.5%	12.9%	66.9%	14.6%
H.S. Diploma or Equivalent	24,705	79.5%	6.1%	79.4%	8.0%
Some College or Assoc. Degree	37,978	85.4%	4.2%	85.6%	6.1%
Bachelor's Degree or Higher	25,421	88.4%	2.3%	89.1%	3.4%

Source: 2009-2013 American Community Survey, 5-Year Estimates

UNEMPLOYMENT RATE, 2005-2015

Region 4's unemployment rate has closely tracked the state rate over the past decade, typically falling within 0.2 percent of the state rate, either above or below. However, the region's rate stayed well below the state rate during the recession. According to DEED's [Local Area Unemployment Statistics](#), the region's unemployment rate rose just above 6.5 percent in 2009 and 2010, while the state rate was about 1 percent higher. Since then, the state and region's economies have recovered and unemployment rates are back to prerecession levels, even dropping to 3.6 percent in June of 2015 (see Figure 5).

Figure 5. Unemployment Rates, 2005-2015



Source: DEED Local Area Unemployment Statistics (LAUS)

COMMUTE SHED AND LABOR SHED, 2013

According to commuting data from the [Census Bureau](#), Region 4 is a net labor exporter, having more workers than available jobs. In sum, 64,393 workers both lived and worked in Region 4 in 2013, while another 25,369 workers drove into the region from surrounding counties for work, compared to 40,783 workers who lived in the region but drove to surrounding counties for work (see Table 5 and Figure 6).

Table 5. Region 4 Inflow/Outflow Job Counts (All Jobs), 2013	2013	
	Count	Share
Employed in the Selection Area	89,762	100.0%
Employed in the Selection Area but Living Outside	25,369	28.3%
Employed and Living in the Selection Area	64,393	71.7%
Living in the Selection Area	105,176	100.0%
Living in the Selection Area but Employed Outside	40,783	38.8%
Living and Employed in the Selection Area	64,393	61.2%

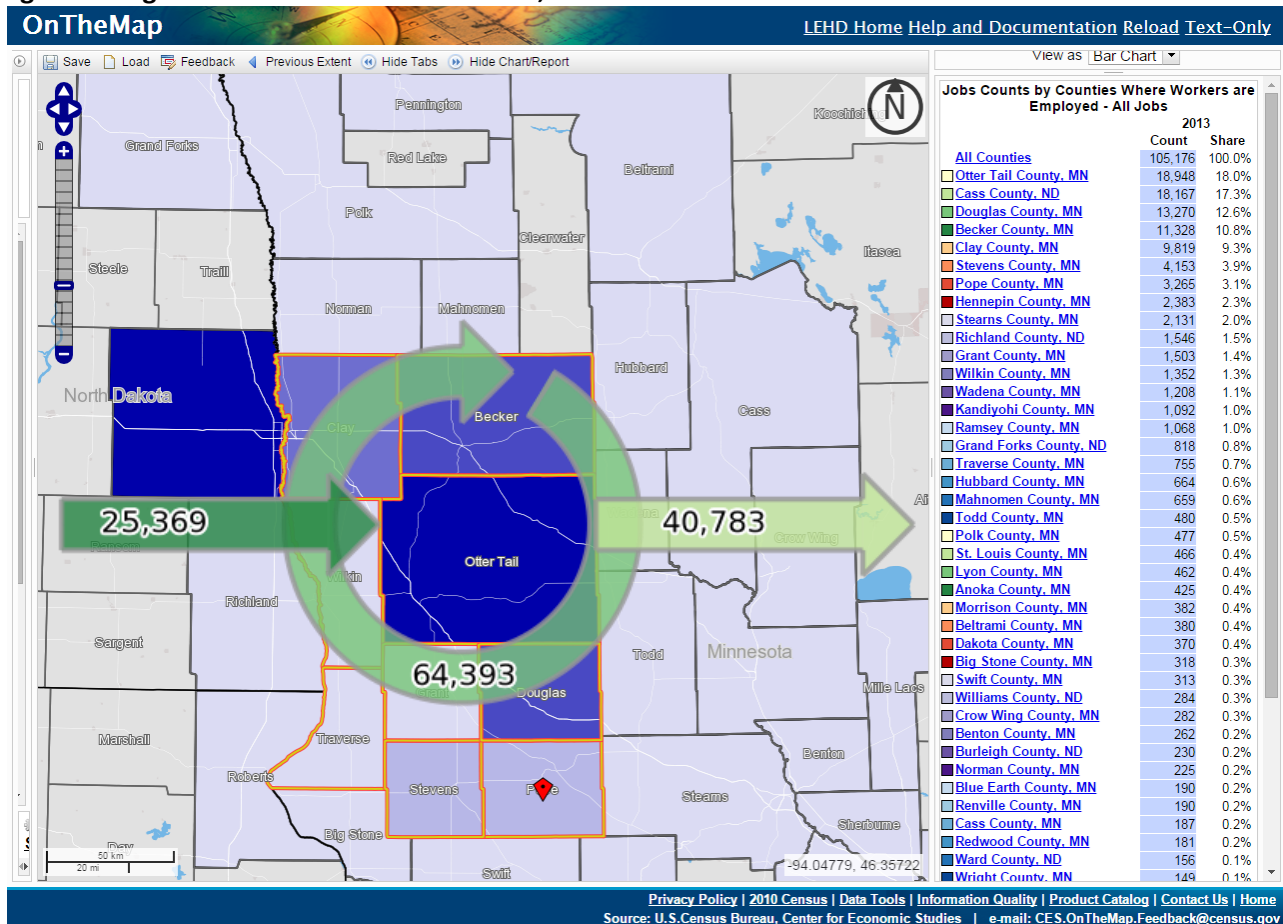
Source: [U.S. Census Bureau, OnTheMap](#)

Over half of the workers that commute outside the region for work are traveling into North Dakota. In fact, the region sends about 12,000 more workers into Cass County, North Dakota, which combines with Clay County to comprise the Fargo-Moorhead metropolitan area, than it gets back, leading to much of the region's net labor export. Within the region, Otter Tail is the largest county and the largest employment center, followed by other smaller regional centers like Douglas, Becker, and Stevens County (see Table 6 and Figure 6).

Table 6. Region 4 Commuting Patterns	
Counties outside the region that send the most workers into the region	Counties outside the region that the most workers from inside the region travel to
Cass Co. ND	Cass Co. ND
Stearns Co. MN	Hennepin Co. MN
Todd Co. MN	Stearns Co. MN
Hennepin Co. MN	Richland Co. ND
Wadena Co. MN	Wadena Co. MN

Source: [U.S. Census Bureau, OnTheMap](#)

Figure 6. Region 4 Labor and Commute Shed, 2013



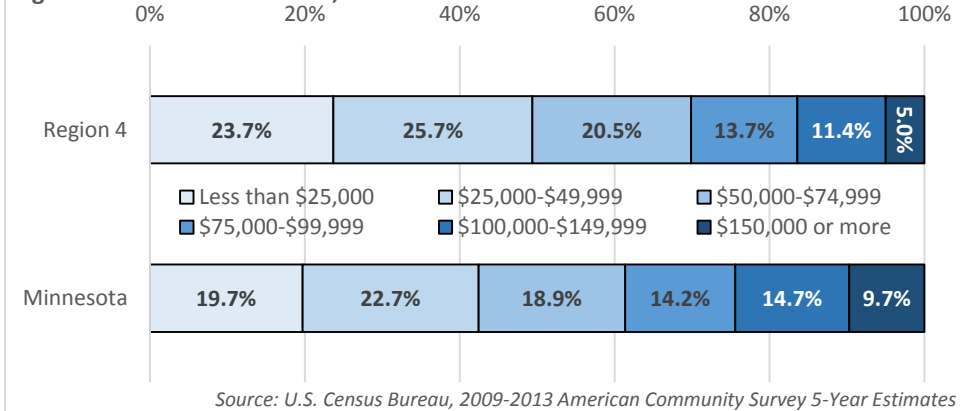
INCOMES, WAGES AND OCCUPATIONS

HOUSEHOLD INCOMES

Household incomes were significantly lower in Region 4 than the rest of the state, where the median household income in 2013 was \$59,836. In the region, median household incomes ranged from \$45,714 in Traverse County, which was the 16th lowest in the state, to \$54,206 in Stevens

County, which was the 21st highest. Almost half (49.4%) of the households in the region had incomes below \$50,000 in 2013, compared to 42.4 percent statewide. Just over one-third of households earned between \$50,000 and \$100,000 in the region. In contrast, only 16.4 percent of households in Region 4 earned over \$100,000 per year, compared to 24.4 percent of households statewide (see Figure 7).

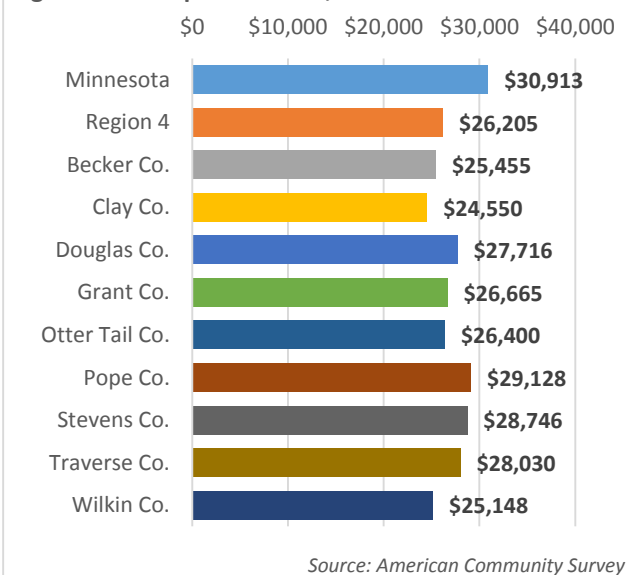
Figure 7. Household Incomes, 2013



PER CAPITA INCOMES

Per capita incomes were also lower in the region than the state, ranging from \$24,550 in Clay County to \$29,128 in Pope County, compared to \$30,913 in Minnesota (see Figure 8).

Figure 8. Per Capita Incomes, 2013



COST OF LIVING

According to DEED's [Cost of Living tool](#), the basic needs budget for an average Minnesota family (which consists of 2 adults and 1 child, with 1 full-time and 1 part-time worker) was \$50,988 in 2015. The cost of living for a similar family in Region 4 was \$42,420 – which was the fifth lowest of the 13 EDRs in the state. The highest monthly costs were for transportation, food, and housing; but the region's housing, child care, taxes, and transportation costs were significantly lower than the rest of the state (see Table 7).

In order to meet the basic cost of living for the region, the workers in the family scenario listed above would need to earn \$13.60 per hour.

Table 7. Family Yearly Cost, Worker Hourly Wage, and Family Monthly Costs, 2015

Region	Family Yearly Cost of Living	Hourly Wage Required	Monthly Costs						
			Child Care	Food	Health Care	Housing	Transportation	Other	Taxes
Region 4	\$42,420	\$13.60	\$228	\$761	\$398	\$685	\$997	\$202	\$264
Minnesota	\$50,988	\$16.34	\$443	\$772	\$405	\$907	\$1,039	\$235	\$448

Source: [DEED Cost of Living tool](#)

WAGES AND OCCUPATIONS

According to DEED's [Occupational Employment Statistics](#) program, the median hourly wage for all occupations in Region 4 was \$15.66 in the first quarter of 2015, which was the fourth lowest wage level of the 13 EDRs in the state. Region 4's median wage was about \$3.00 below the state's median hourly wage, equaling 84 percent of the statewide wage rate, and almost \$5.00 below the median hourly wage in the 7-County Twin Cities metro area, which would amount to nearly \$10,000 per year for a full-time worker. Region 4 had higher wages than Region 5 at \$14.37 and Region 6W at \$15.34, but lower wages than Region 1 at \$16.39 and Region 6E at \$16.42 (see Table 8).

Just over 12 percent of the jobs in Region 4 were production occupations, which was 4 percent more concentrated than in the state as a whole. Region 4 also had a higher share of workers in education, training, and library; protective service; community and social service; transportation and material moving; healthcare support; installation, maintenance, and repair; construction and extraction; building and grounds cleaning and maintenance; and farming, fishing and forestry occupations (see Table 9).

Table 8. Occupational Employment Statistics by Region, 1st Qtr. 2015	Median Hourly Wage	Estimated Regional Employment
EDR 1 - Northwest	\$16.39	36,130
EDR 2 - Headwaters	\$15.77	27,330
EDR 3 - Arrowhead	\$16.58	141,800
EDR 4 - West Central	\$15.66	83,540
EDR 5 - North Central	\$14.37	56,050
EDR 6E - Southwest Central	\$16.42	46,490
EDR 6W - Upper MN Valley	\$15.34	18,380
EDR 7E - East Central	\$16.43	44,580
EDR 7W - Central	\$16.80	172,200
EDR 8 - Southwest	\$14.79	53,380
EDR 9 - South Central	\$15.99	105,260
EDR 10 - Southeast	\$17.74	253,990
EDR 11 - 7-County Twin Cities	\$20.49	1,691,650
State of Minnesota	\$18.65	2,730,020

Source: [DEED Occupational Employment Statistics](#)

Table 9. Region 4 Occupational Employment Statistics, 1st Qtr. 2015					State of Minnesota		
	Median Hourly Wage	Estimated Regional Employment	Share of Total Employment	Location Quotient	Median Hourly Wage	Estimated Regional Employment	Share of Total Employment
Total, All Occupations	\$15.66	83,540	100.0%	1.0	\$18.65	2,730,020	100.0%
Office & Administrative Support	\$14.85	12,410	14.9%	1.0	\$17.27	409,100	15.0%
Production	\$15.86	10,250	12.3%	1.5	\$16.61	217,830	8.0%
Sales & Related	\$12.08	8,710	10.4%	1.1	\$13.24	270,540	9.9%
Education, Training, & Library	\$20.72	7,440	8.9%	1.6	\$22.72	156,090	5.7%
Transportation & Material Moving	\$15.85	6,770	8.1%	1.3	\$16.18	167,130	6.1%
Healthcare Practitioners & Technical	\$26.55	4,250	5.1%	0.9	\$31.54	160,390	5.9%
Management	\$36.44	3,720	4.5%	0.7	\$47.47	165,730	6.1%
Installation, Maintenance, & Repair	\$18.39	3,510	4.2%	1.2	\$21.52	94,310	3.5%
Construction & Extraction	\$18.48	3,480	4.2%	1.2	\$24.88	91,240	3.3%
Personal Care & Service	\$10.75	3,450	4.1%	0.9	\$11.11	120,000	4.4%
Healthcare Support	\$12.18	3,300	4.0%	1.2	\$13.63	89,360	3.3%
Food Preparation & Serving Related	\$9.17	3,200	3.8%	0.5	\$9.21	228,640	8.4%
Building & Grounds Cleaning & Maint.	\$11.71	2,930	3.5%	1.2	\$12.03	81,560	3.0%
Business & Financial Operations	\$25.12	2,360	2.8%	0.5	\$30.37	159,970	5.9%
Community & Social Service	\$19.02	1,990	2.4%	1.3	\$20.51	49,210	1.8%
Protective Service	\$18.39	1,960	2.3%	1.5	\$19.43	43,660	1.6%
Architecture & Engineering	\$27.28	1,220	1.5%	0.8	\$34.76	50,980	1.9%
Computer & Mathematical	\$28.03	820	1.0%	0.3	\$37.96	91,560	3.4%
Arts, Design, Entertainment & Media	\$16.76	640	0.8%	0.6	\$21.82	36,430	1.3%
Life, Physical, & Social Science	\$24.51	600	0.7%	0.8	\$30.29	24,410	0.9%
Farming, Fishing, & Forestry	\$11.80	370	0.4%	3.4	\$14.41	3,570	0.1%
Legal	\$25.31	150	0.2%	0.3	\$38.48	18,330	0.7%

Source: [DEED Occupational Employment Statistics, Qtr. 1 2015](#)

Not surprisingly, the lowest-paying jobs are in food preparation and serving, personal care and service, farming, fishing, and forestry, sales and related, healthcare support, and building and grounds cleaning and maintenance jobs, which tend to have lower educational and training requirements. For the most part, the gap in pay between Region 4 and the state is also lower in these jobs. In contrast, the highest paying jobs are found in management, computer, business and financial operations, healthcare practitioners, legal, and architecture and engineering occupations, which all need higher levels of education and experience. The pay gaps between the region and state are much bigger in these occupations.

JOB VACANCY SURVEY

Employers in Region 4 reported 4,515 job vacancies in the second quarter of 2015, a 16 percent decline from the previous year, but a 154 percent increase from the recession low point in the second quarter of 2010. Overall, 43 percent of the openings were part-time, and less than one-third required postsecondary education or 1 or more years of experience. The median hourly wage offer for all occupations was \$12.38, but ranged from \$9.10 for food prep jobs to \$22.35 for management (see Table 10).

	Number of Total Vacancies	Percent Part-time	Requiring Post-Secondary Education	Requiring 1 or More Years of Experience	Requiring Certificate or License	Median Hourly Wage Offer
Total, All Occupations	4,515	43%	31%	30%	33%	\$12.38
Food Preparation & Serving Related	771	64%	0%	12%	6%	\$9.10
Office & Administrative Support	532	53%	20%	12%	10%	\$10.92
Production	441	6%	16%	35%	11%	\$13.62
Transportation & Material Moving	364	51%	4%	50%	97%	\$13.24
Sales & Related	338	68%	13%	17%	0%	\$9.61
Healthcare Practitioners & Technical	305	52%	98%	63%	97%	\$21.93
Personal Care & Service	291	27%	45%	7%	27%	\$10.60
Education, Training, & Library	282	35%	98%	27%	78%	\$17.16
Building, Grounds Cleaning & Maint.	221	66%	0%	12%	8%	\$9.85
Construction & Extraction	202	1%	13%	54%	18%	\$13.77
Healthcare Support	168	60%	68%	9%	82%	\$11.49
Installation, Maintenance, & Repair	119	25%	25%	31%	11%	\$13.99
Management	90	23%	93%	68%	67%	\$22.35
Business & Financial Operations	78	43%	54%	96%	4%	\$16.09
Life, Physical, & Social Science	76	32%	87%	81%	83%	\$20.58
Protective Service	56	24%	12%	65%	35%	\$11.16
Architecture & Engineering	49	3%	90%	78%	7%	\$18.24
Community & Social Service	42	14%	70%	52%	78%	\$17.21
Computer & Mathematical	36	0%	87%	49%	11%	\$18.17
Arts, Design, Entertainment & Media	15	94%	7%	7%	1%	\$10.56

Source: [DEED Job Vacancy Survey, Qtr. 2 2015](#)

OCCUPATIONS IN DEMAND

According to DEED's [Occupations in Demand](#) tool, there are 228 occupations showing relatively high demand in the region, with training and education requirements ranging from short-term on-the-job training to postsecondary education to advanced degrees. Many of the occupations in demand in the region require a high school diploma or less. These occupations are spread across different sectors but are also concentrated in the region's major industries. For example, truck drivers, nurses, cashiers, laborers, maintenance, production, and construction jobs are among the top occupations in demand based on the consistent need for these workers (see Table 11).

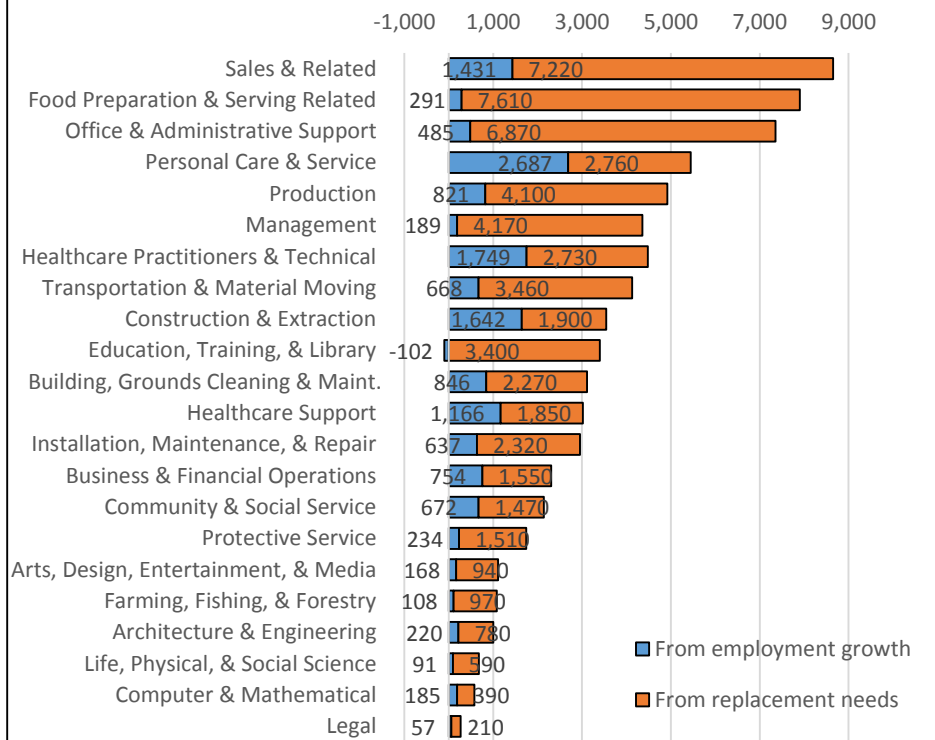
Table 11. Region 4 Occupations in Demand by Education Level, 2014

Less than High School	High School or Equivalent	Some College or Assoc. Degree	Bachelor's Degree or Higher
Cashiers (\$19,475)	Light Truck or Delivery Services Drivers (\$27,941)	Heavy & Tractor-Trailer Truck Drivers (\$36,348)	Loan Officers (\$69,352)
Laborers & Freight, Stock, & Material Movers (\$26,872)	Sales Representatives, Wholesale & Mfg. (\$56,010)	Registered Nurses (\$66,932)	Secondary School Teachers (\$46,681)
Combined Food Preparation & Serving Workers (\$18,244)	Maintenance & Repair Workers, General (\$36,025)	Nursing Assistants (\$24,456)	Accountants & Auditors (\$59,136)
Stock Clerks & Order Fillers (\$21,238)	Welders, Cutters, Solderers, & Brazers (\$35,643)	Licensed Practical Nurses (\$37,234)	Financial Managers (\$88,175)
Cement Masons & Concrete Finishers (\$39,059)	Customer Service Representatives (\$30,151)	First-Line Supervisors of Production Workers (\$54,567)	Human Resources Managers (\$80,812)
Construction Laborers (\$31,080)	Office Clerks, General (\$28,239)	Emergency Medical Techs. & Paramedics (\$28,462)	Elementary School Teachers (\$53,684)
Personal Care Aides (\$22,377)	Social & Human Service Assistants (\$31,379)	Computer User Support Specialists (\$40,093)	Industrial Engineers (\$61,267)
Janitors & Cleaners (\$25,184)	Bookkeeping, Accounting, & Auditing Clerks (\$33,238)	Physical Therapist Assistants (\$49,512)	Educ., Guidance, School, & Voc. Counselors (\$42,770)
Maids & Housekeeping Cleaners (\$23,027)	Farm Equipment Mechanics & Service Technicians (\$38,393)	Medical Assistants (\$31,395)	Mental Health Counselors (\$38,650)
Packers & Packagers, Hand (\$20,263)	First-Line Supervisors of Food Preparation Workers (\$31,051)	Hairdressers, Hairstylists, & Cosmetologists (\$23,114)	Mental Health & Subs. Abuse Social Workers (\$46,897)

Source: [DEED Occupations in Demand](#)

EMPLOYMENT PROJECTIONS

Region 4 is a part of the larger 26-county Northwest Minnesota Planning area, along with Region 1, Region 2, and Region 5. The Northwest planning area is projected to grow 5.9 percent from 2012 to 2022, a gain of 14,999 new jobs. In addition, the region is also expected to need 59,060 replacement openings to fill jobs left vacant by retirements and other career changers. In fact, the number of replacement openings is expected to dwarf the number of new jobs in every group except for personal care and service occupations, construction and extraction workers; and health care occupations. Education, training and library is the only occupational group that is not expected to add new jobs, though it will still have 3,400 openings (see Figure 9).

Figure 9. Northwest Minnesota Employment Projections, 2012-2022

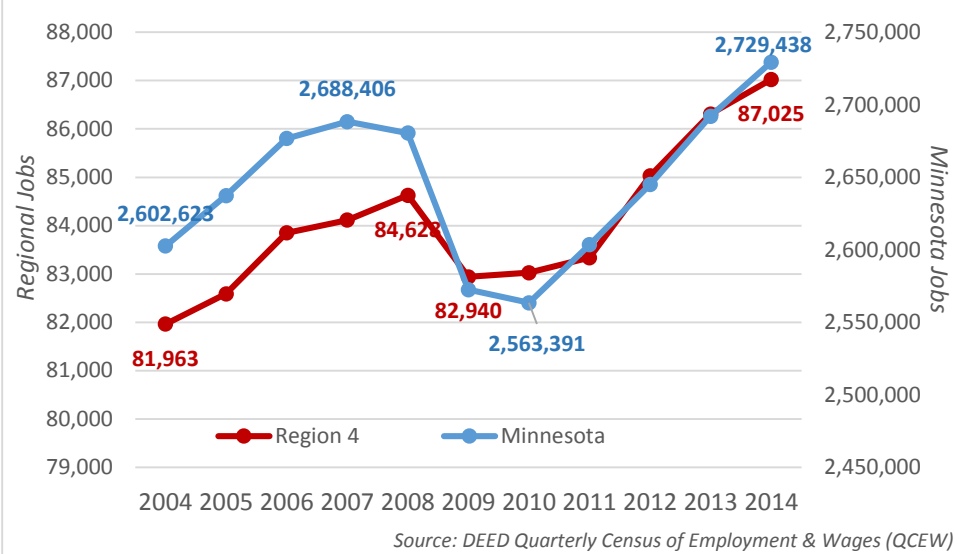
Source: DEED 2012-2022 Employment Outlook

ECONOMY

INDUSTRY EMPLOYMENT

Region 4 has seen strong employment growth over the past decade, gaining over 5,000 net new jobs from 2004 to 2014. The region experienced job gains from 2004 to 2008 before suffering a severe decline in 2009. Since then, the region has recovered steadily, adding jobs at a 4.8 percent clip from 2010 to 2014, compared to a 6.5 percent recovery in the state (see Figure 10).

Figure 10. Industry Employment Change, 2004-2014



According to DEED's [Quarterly Census of Employment & Wages \(QCEW\) program](#), Region 4 was home to 6,737 business establishments providing 87,025 covered jobs through 2014, with a total payroll of just under \$3.2 billion. That was about 3.2 percent of total employment in the state of Minnesota, making it the sixth largest of the 13 EDRs in the state. Average annual wages were \$36,400 in the region, which was \$15,000 lower than the state's average annual wage, and the sixth lowest of the 13 EDRs.

Otter Tail County is the largest employment center in the region, with 22,319 jobs at 1,749 firms; followed by Clay County with 18,353 jobs at 1,311 firms and Douglas County with 1,342 firms and 17,982 jobs. As shown above, the region recovered quickly over the past five years; with 7 of the 9 counties in the region seeing job gains since 2010, led by Douglas, Otter Tail, and Becker County, which all gained about 1,000 jobs. Just Traverse and Wilkin saw job declines since 2010. Six of the 9 counties also added jobs in the past year, with Otter Tail, Pope, and Douglas County all gaining about 200 jobs from 2013 to 2014 (see Table 12).

Table 12. Region 4 Industry Employment Statistics, 2014				Average Annual Wage	2010-2014		2013-2014	
Geography	Number of Firms	Number of Jobs	Total Payroll		Change in Jobs	Percent Change	Change in Jobs	Percent Change
Region 4	6,737	87,025	\$3,171,934,939	\$36,400	+3,999	+4.8%	+715	+0.8%
Becker Co.	1,034	13,837	\$487,432,885	\$35,204	+960	+7.5%	+85	+0.6%
Clay Co.	1,311	18,353	\$661,483,926	\$36,036	+67	+0.4%	-84	-0.5%
Douglas Co.	1,342	17,982	\$687,493,771	\$38,220	+1,035	+6.1%	+187	+1.1%
Grant Co.	250	1,926	\$66,057,334	\$34,268	+109	+6.0%	+26	+1.4%
Otter Tail Co.	1,749	22,319	\$780,341,566	\$34,944	+969	+4.5%	+243	+1.1%
Pope Co.	343	4,195	\$161,996,358	\$38,532	+550	+15.1%	+190	+4.7%
Stevens Co.	356	5,344	\$220,056,779	\$41,080	+489	+10.1%	+98	+1.9%
Traverse Co.	144	1,055	\$34,477,350	\$32,656	-78	-6.9%	-8	-0.8%
Wilkin Co.	210	2,013	\$72,594,970	\$36,036	-100	-4.7%	-23	-1.1%
State of Minnesota	164,409	2,729,438	\$140,857,248,755	\$51,584	+166,047	+6.5%	+37,321	+1.4%

Source: [DEED Quarterly Census of Employment & Wages \(QCEW\)](#)

With 15,231 jobs at 618 firms, health care and social assistance is the largest employing industry in Region 4, accounting for 17.5 percent of total jobs in the region. However, the region saw a decline in health care jobs in the past five years. Due to the region's older population, the largest sector was nursing and residential care facilities, which had over 5,350 jobs in 2014, followed by hospitals, ambulatory health care services, and social assistance, which each had over 3,000 jobs.

Manufacturing is the next largest employing industry in Region 4, with 12,062 jobs at 341 firms, accounting for 13.9 percent of total jobs in the region. The largest sectors include food manufacturing, fabricated metal product manufacturing, and machinery manufacturing, which all had about 2,500 jobs in 2014. Overall, Region 4 enjoyed a big rebound in manufacturing jobs since 2010, adding 2,051 jobs since the recession, a 20.5 percent increase. At \$46,020 in 2014, average annual wages were nearly \$10,000 higher in manufacturing than the total of all industries.

Retail trade is the third largest industry, with 11,534 jobs at 933 establishments. However, wages are relatively low in retail trade. With several postsecondary institutions in the area, Region 4 has a higher concentration of employment in educational services than the state, with 9,009 jobs at 127 institutions.

Other important industries in Region 4 include accommodation and food services, public administration, construction, wholesale trade, other services, transportation and warehousing, agriculture, administrative support and waste management services, and finance and insurance. Twelve of the 20 main industries in the region added jobs since 2010, with huge gains in manufacturing, administrative support and waste management services – which includes temporary staffing agencies, wholesale trade, construction, retail trade, and agriculture. In contrast, the region saw small job losses in information, health care and social assistance, accommodation and food services, and educational services (see Table 13).

NAICS Industry Title	2014 Annual Data				Avg. Annual Wage	2010-2014		2013-2014	
	Number of Firms	Number of Jobs	Percent of Jobs	Total Payroll		Change in Jobs	Percent Change	Change in Jobs	Percent Change
Total, All Industries	6,737	87,025	100.0%	\$3,171,934,939	\$36,400	+3,999	+4.8%	+715	+0.8%
Health Care & Social Assistance	618	15,231	17.5%	\$533,800,022	\$35,048	-179	-1.2%	+187	+1.2%
Manufacturing	341	12,062	13.9%	\$555,533,605	\$46,020	+2,051	+20.5%	+210	+1.8%
Retail Trade	933	11,534	13.3%	\$286,858,541	\$24,856	+352	+3.1%	-61	-0.5%
Educational Services	127	9,009	10.4%	\$355,400,384	\$39,520	-74	-0.8%	-37	-0.4%
Accommodation & Food Services	526	7,683	8.8%	\$100,077,339	\$13,000	-137	-1.8%	+36	+0.5%
Public Administration	240	4,892	5.6%	\$216,458,164	\$44,252	-17	-0.3%	+69	+1.4%
Construction	920	4,565	5.2%	\$204,517,004	\$44,044	+364	+8.7%	+167	+3.8%
Wholesale Trade	302	4,356	5.0%	\$239,879,090	\$55,120	+594	+15.8%	+108	+2.5%
Other Services	618	2,561	2.9%	\$55,206,438	\$21,528	+34	+1.3%	+59	+2.4%
Transportation & Warehousing	347	2,497	2.9%	\$88,016,994	\$35,204	+1	0.0%	-27	-1.1%
Agriculture, Forestry, Fish & Hunt	299	2,385	2.7%	\$93,034,343	\$38,792	+312	+15.1%	0	0.0%
Admin. Support & Waste Mgmt.	245	2,259	2.6%	\$64,810,203	\$28,860	+603	+36.4%	-53	-2.3%
Finance & Insurance	379	2,171	2.5%	\$105,900,889	\$48,776	-59	-2.6%	-85	-3.8%
Professional & Technical Services	352	1,630	1.9%	\$74,012,454	\$45,552	-32	-1.9%	-33	-2.0%
Information	100	1,060	1.2%	\$47,017,035	\$44,304	-181	-14.6%	+31	+3.0%
Arts, Entertainment & Recreation	141	1,058	1.2%	\$15,537,750	\$15,080	+60	+6.0%	+34	+3.3%
Utilities	23	697	0.8%	\$55,886,266	\$80,236	-17	-2.4%	+5	+0.7%
Management of Companies	30	644	0.7%	\$51,584,442	\$80,028	+264	+69.5%	+61	+10.5%
Real Estate & Rental & Leasing	182	591	0.7%	\$21,234,029	\$35,880	+20	+3.5%	+40	+7.3%
Mining	18	136	0.2%	\$7,169,947	\$49,972	+41	+43.2%	+4	+3.0%

Source: [DEED Quarterly Census of Employment & Wages \(QCEW\)](#)

DISTINGUISHING INDUSTRIES

Region 4 stands out in the state for its higher concentrations of employment in manufacturing, agriculture, and educational services. Region 4 has 3.2 percent of total state employment, but has over 10 percent of the state's jobs in support activities for agriculture and forestry, crop production, and animal production. Region 4 also has high concentrations of employment in primary metal, nonmetallic mineral product, machinery, and transportation equipment manufacturing (see Table 14).

NAICS Industry Title	NAICS Code	Number of Firms	Number of Jobs	Total Payroll	Avg. Annual Wages	Location Quotient
Total, All Industries	0	6,737	87,025	\$3,171,934,939	\$36,400	1.0
Support Activities for Agriculture & Forestry	115	54	319	\$12,019,373	\$37,492	4.6
Crop Production	111	177	850	\$32,371,450	\$38,012	3.9
Animal Production & Aquaculture	112	67	1,203	\$48,214,665	\$39,936	3.6
Primary Metal Manufacturing	331	4	481	\$23,565,250	\$48,984	2.5
Nonmetallic Mineral Product Manufacturing	327	24	656	\$38,060,232	\$58,136	2.3
Machinery Manufacturing	333	42	2,319	\$124,720,460	\$53,768	2.2
Gasoline Stations	447	142	1,580	\$27,587,215	\$17,420	2.1
Junior Colleges	6112	4	604	\$32,357,945	\$53,872	2.0
Transportation Equipment Manufacturing	336	11	725	\$27,531,277	\$37,960	2.0
Heavy and Civil Engineering Construction	237	97	1,372	\$81,776,743	\$58,032	1.9

Source: [DEED Quarterly Census of Employment & Wages \(QCEW\)](#)

INDUSTRY PROJECTIONS

As noted above, Region 4 is part of the 26-county Northwest Minnesota Planning Region, which is projected to grow 5.9 percent from 2012 to 2022, a gain of 14,999 new jobs.

The largest and fastest growing industry is expected to be health care and social assistance, which may account for nearly 40 percent of total projected growth in the region by 2022. The region is also expected to see significant employment growth in retail trade, construction, wholesale trade, accommodation and food services, and agriculture, forestry, fishing and hunting. In contrast, the region is expected to see declines in finance and insurance, information, utilities, and mining (see Table 15).

Industry	Estimated Employment 2012	Projected Employment 2022	Percent Change 2012-2022	Numeric Change 2012-2022
Total, All Industries	254,122	269,121	+5.9%	+14,999
Health Care & Social Assistance	32,742	38,734	+18.3%	+5,992
Retail Trade	27,570	29,508	+7.0%	+1,938
Manufacturing	27,195	28,176	+3.6%	+981
Accommodation & Food Services	19,495	19,925	+2.2%	+430
Wholesale Trade	11,144	12,001	+7.7%	+857
Construction	9,165	10,585	+15.5%	+1,420
Other Services	10,198	10,337	+1.4%	+139
Agriculture, Forestry, Fish & Hunt	5,745	6,161	+7.2%	+416
Finance & Insurance	5,747	5,689	-1.0%	-58
Transportation & Warehousing	5,302	5,443	+2.7%	+141
Arts, Entertainment & Recreation	4,939	5,173	+4.7%	+234
Professional & Technical Services	4,585	4,953	+8.0%	+368
Admin. Support & Waste Mgmt.	4,273	4,647	+8.8%	+374
Information	2,902	2,539	-12.5%	-363
Educational Services	2,446	2,490	+1.8%	+44
Real Estate & Rental & Leasing	1,376	1,539	+11.8%	+163
Utilities	1,184	1,068	-9.8%	-116
Management of Companies	679	767	+13.0%	+88
Mining	261	226	-13.4%	-35

Source: [DEED 2012-2022 Employment Outlook](#)

EMPLOYERS BY SIZE CLASS

The vast majority of businesses in Region 4 are small businesses, with 57 percent of businesses reporting 1 to 4 employees in 2013, according to County Business Patterns from the U.S. Census Bureau. Another 32.1 percent had between 5 and 19 employees; and 9.2 percent had between 20 and 99 employees. Only 1.5 percent had 100 to 499 employees, compared to 2.4 percent in the state. Just 11 businesses in the region had more than 500 employees, which is the Small Business Administration's official cut off for a "small business". Obviously then, small businesses are vital to the region's economy (see Table 16).

	Region 4		Minnesota
Number of Employees	Number of Firms	Percent of Firms	Percent of Firms
1-4	3,671	57.0%	54.2%
5-9	1,260	19.6%	17.7%
10-19	804	12.5%	13.4%
20-49	458	7.1%	8.9%
50-99	134	2.1%	3.2%
100-249	80	1.2%	1.9%
250-499	22	0.3%	0.5%
500-999	9	0.1%	0.2%
1,000 or more	2	0.0%	0.1%
Total Firms	6,440	100.0%	100.0%

Source: [U.S. Census, County Business Patterns](#)

NONEMPLOYER ESTABLISHMENTS

Before growing, the basic building block of most small businesses is a self-employed business. Region 4 was home to 17,521 self-employed businesses or "nonemployers" in 2013, which are defined by the U.S. Census Bureau as "businesses without paid employees that are subject to federal income tax, originating from tax return information of the Internal Revenue Service (IRS)." Like covered employment, Region 4 saw a steady increase in nonemployers over the past decade, responding to economic changes. In sum, the region gained 1,423 new nonemployers from 2003 to 2013, an 8.8 percent increase. The largest amount of nonemployers and the fastest growth occurred in Otter Tail and Clay County, while Traverse was the only county in the region to see a decline in self-employment. These nonemployers generated sales receipts of \$775 million in 2013 (see Table 17).

	2013		2003-2013	
	Number of Firms	Receipts (\$1,000s)	Change in Firms	Percent Change
Region 4	17,521	\$774,415	+1,423	+8.8%
Becker Co.	2,834	\$135,468	+154	+5.7%
Clay Co.	3,807	\$145,942	+662	+21.0%
Douglas Co.	3,312	\$152,219	+97	+3.0%
Grant Co.	551	\$21,535	+16	+3.0%
Otter Tail Co.	4,684	\$193,659	+444	+10.5%
Pope Co.	971	\$42,627	+45	+4.9%
Stevens Co.	627	\$27,175	+12	+2.0%
Traverse Co.	261	\$11,853	-16	-5.8%
Wilkin Co.	474	\$43,937	+9	+1.9%
Minnesota	388,900	\$17,268,230	+40,173	+11.5%

Source: [U.S. Census, Nonemployer Statistics program](#)

CENSUS OF AGRICULTURE

Finally, one of the most important industries in Region 4 is agriculture, with 8,917 farms producing nearly \$2.75 billion in the market value of products sold in 2012, according to the U.S. Department of Agriculture. Region 4 had 12 percent of the state's farms, and 12.9 percent of the state's total market value, led by Otter Tail, Stevens, and Clay County, which were all among the top 20 counties in the state for the market value of products sold. Despite seeing a small decline in the number of farms, the region saw a huge 93 percent increase in the market value of products sold from 2007 to 2012, as many farms got bigger and commodity prices went up (see Table 18).

	Number of Farms	Market Value of Products Sold	State Rank	Change in Market Value, 2007-2012
Region 4	8,917	\$2,745,767,000		+93.0%
Becker Co.	1,107	\$261,493,000	41	+74.9%
Clay Co.	804	\$398,075,000	18	+97.3%
Douglas Co.	1,091	\$120,897,000	59	+85.1%
Grant Co.	542	\$213,466,000	51	+106.6%
Otter Tail Co.	3,033	\$504,304,000	7	+68.1%
Pope Co.	931	\$237,704,000	45	+103.4%
Stevens Co.	560	\$441,340,000	11	+80.9%
Traverse Co.	458	\$264,539,000	40	+137.8%
Wilkin Co.	391	\$303,949,000	32	+132.9%
Minnesota	74,542	\$21,280,184,000		+61.5%

Source: [2012 Census of Agriculture](#)